

AMENDED IN ASSEMBLY MAY 24, 2005

AMENDED IN SENATE MARCH 29, 2005

SENATE BILL

No. 253

Introduced by Senator Torlakson

February 15, 2005

An act to amend Section 798.3 of the Civil Code, to amend Sections 65583, 65584.1, and 66016 of, and to repeal Sections 65586 and 65588.1 of, the Government Code, ~~and~~ to amend Sections 18070.3, 18070.6, 18400.3, and 18867 of, and to repeal Section 33334.20 of, the Health and Safety Code, *and to amend Section 3692.4 of the Revenue and Taxation Code*, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

SB 253, as amended, Torlakson. Housing: fees and enforcement.

(1) Existing law defines "mobilehome" for purposes of the Mobilehome Residency Law.

This bill would make a technical change in that definition.

(2) The Planning and Zoning Law requires each city, county, or city and county to prepare and adopt a general plan for its jurisdiction that contains certain mandatory elements, including a housing element. One part of the housing element is an assessment of housing needs and an inventory of resources and constraints relevant to meeting those needs. The assessment includes the locality's share of regional housing needs. That share is determined by the appropriate council of governments or by the Department of Housing and Community Development, subject to revision by the department.

The Planning and Zoning Law also authorizes a council of governments to charge a fee to local governments to cover the projected reasonable, actual costs of the council in distributing the regional housing needs pursuant to a city or county's housing element.

This bill would also authorize a council of governments to charge a fee for determining shares of the existing and projected regional housing need for cities, counties, and subregions at all income levels and for subsequent revisions of specified housing elements. The bill would also repeal obsolete provisions pertaining to housing elements.

(3) Existing law establishes the Manufactured Home Recovery Fund which is continuously appropriated to make payments and distributions for actual and direct losses, as defined, arising out of specified transactions regarding the purchase or sale of a manufactured home if certain conditions are met.

This bill would make technical changes in those provisions.

(4) The Mobilehome Park Act requires the Department of Housing and Community Development to convene a specified task force at least once a year to provide input to the department on the conduct and operation of the mobilehome park maintenance inspection program. The act also requires the department to reorganize violations under the act and regulations adopted pursuant to the act into 2 specified categories by January 1, 2000, and to correct those constituting unreasonable risk to life, health, or safety within 90 days following January 1, 2000. Any matter that would have constituted a violation prior to January 1, 2000, that was not categorized pursuant to these provisions was deemed to be of a minor or technical nature and not subject to citation or notation on the record of an inspection conducted on or after January 1, 2000.

This bill would revise these provisions to clarify that the authorization for the task force to meet at least once a year and to provide input to the department requires that the department annually reorganize violations and regulations under the act and would reduce the time period for violations constituting unreasonable risk to life, health, or safety to 60 days following January 1 of each year.

(5) The Special Occupancy Parks Act authorizes the Department of Housing and Community Development or a city, county, or city and county that assumes responsibility for the enforcement of the act to enter and inspect special occupancy parks, defined as recreational vehicle parks, temporary recreational vehicle parks, incidental camping areas, and tent camps to secure enforcement of the act and implementing regulations. Existing law requires an enforcement agency to issue notice to correct a violation within 10 days of determining that a special park is in violation of the act or implementing regulations. Existing law requires the notice to allow 90

days from the postmarked date of the notice or date of personal delivery for elimination of the condition constituting the alleged violation if the violation is not an imminent threat to health and safety. Existing law authorizes an additional 90-day extension after the reinspection of the violation if the enforcement agency determines there is a valid reason why the violation was not corrected.

This bill would shorten the 90-day correction period to 30 days and the 90-day discretionary extension to 30 days.

(6) Existing law authorizes the redevelopment agency of a city that meets specified population size requirements and whose legislative body finds that property damage in the city during the civil unrest that occurred between April 29, 1992, and May 3, 1992, exceeded \$50,000,000 to set aside into the Low and Moderate Income Housing Fund an amount that is less than it is otherwise required to set aside if the amount deposited, when added to other public funds expended or appropriated in that fiscal year for the purposes of constructing, rehabilitating, or preserving affordable housing for extremely low, very low, low- and moderate-income persons or families is equal to or greater than the amount it is otherwise required to set aside into its Low and Moderate Income Housing Fund. Existing law requires the redevelopment agency to adopt a plan to eliminate the deficit in subsequent years and complete payment by the 2003-04 fiscal year.

This bill would repeal these provisions and would provide that the repeal does not release an agency that reduced the set-aside pursuant to those provisions from eliminating the deficit in accordance with that section as it existed on December 31, 2005.

(7) Existing property tax law authorizes a city, county, city and county, or nonprofit organization to request the tax collector to bring any residential real property that is not occupied by the owner as his or her principal place of residence to the next scheduled public auction if the taxes on the real property have been delinquent for at least 3 years and the real property will be used to provide housing or services directly related to low-income persons. Existing law requires a 30-year deed restriction to be placed on real property acquired by a nonprofit organization, as specified.

This bill would allow a deed, instead of the 30-year deed restriction, to provide for equity sharing between a nonprofit organization and a low-income owner-occupant upon resale by the low-income owner-occupant of his or her single-family home that was initially purchased by the owner from the nonprofit organization.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 798.3 of the Civil Code is amended to
2 read:

3 798.3. (a) “Mobilehome” is a structure designed for human
4 habitation and for being moved on a street or highway under
5 permit pursuant to Section 35790 of the Vehicle Code.
6 Mobilehome includes a manufactured home, as defined in
7 Section 18007 of the Health and Safety Code, and a mobilehome,
8 as defined in Section 18008 of the Health and Safety Code, but,
9 except as provided in subdivision (b), does not include a
10 recreational vehicle, as defined in Section 799.29 of this code
11 and Section 18010 of the Health and Safety Code or a
12 commercial coach as defined in Section 18001.8 of the Health
13 and Safety Code.

14 (b) “Mobilehome,” for purposes of this chapter, other than
15 Section 798.73, also includes trailers and other recreational
16 vehicles of all types defined in Section 18010 of the Health and
17 Safety Code, other than motor homes, truck campers, and
18 camping trailers, which are used for human habitation if the
19 occupancy criteria of either paragraph (1) or (2), as follows, are
20 met:

21 (1) The trailer or other recreational vehicle occupies a
22 mobilehome site in the park, on November 15, 1992, under a
23 rental agreement with a term of one month or longer, and the
24 trailer or other recreational vehicle occupied a mobilehome site
25 in the park prior to January 1, 1991.

26 (2) The trailer or other recreational vehicle occupies a
27 mobilehome site in the park for nine or more continuous months
28 commencing on or after November 15, 1992.

29 “Mobilehome” does not include a trailer or other recreational
30 vehicle located in a recreational vehicle park subject to Chapter
31 2.6 (commencing with Section 799.20).

32 SEC. 2. Section 65583 of the Government Code is amended
33 to read:

34 65583. The housing element shall consist of an identification
35 and analysis of existing and projected housing needs and a

1 statement of goals, policies, quantified objectives, financial
2 resources, and scheduled programs for the preservation,
3 improvement, and development of housing. The housing element
4 shall identify adequate sites for housing, including rental
5 housing, factory-built housing, and mobilehomes, and shall make
6 adequate provision for the existing and projected needs of all
7 economic segments of the community. The element shall contain
8 all of the following:

9 (a) An assessment of housing needs and an inventory of
10 resources and constraints relevant to the meeting of these needs.
11 The assessment and inventory shall include all of the following:

12 (1) An analysis of population and employment trends and
13 documentation of projections and a qualification of the locality's
14 existing and projected housing needs for all income levels. These
15 existing and projected needs shall include the locality's share of
16 the regional housing need in accordance with Section 65584.

17 (2) An analysis and documentation of household
18 characteristics, including level of payment compared to ability to
19 pay, housing characteristics, including overcrowding, and
20 housing stock condition.

21 (3) An inventory of land suitable for residential development,
22 including vacant sites and sites having potential for
23 redevelopment, and an analysis of the relationship of zoning and
24 public facilities and services to these sites.

25 (4) An analysis of potential and actual governmental
26 constraints upon the maintenance, improvement, or development
27 of housing for all income levels and for persons with disabilities
28 as identified in the analysis pursuant to paragraph (6), including
29 land use controls, building codes and their enforcement, site
30 improvements, fees and other exactions required of developers,
31 and local processing and permit procedures. The analysis shall
32 also demonstrate local efforts to remove governmental
33 constraints that hinder the locality from meeting its share of the
34 regional housing need in accordance with Section 65584 and
35 from meeting the need for housing for persons with disabilities
36 identified pursuant to paragraph (6).

37 (5) An analysis of potential and actual nongovernmental
38 constraints upon the maintenance, improvement, or development
39 of housing for all income levels, including the availability of
40 financing, the price of land, and the cost of construction.

(6) An analysis of any special housing needs, such as those of the elderly, persons with disabilities, large families, farmworkers, families with female heads of households, and families and persons in need of emergency shelter. The department shall adopt regulations to implement this paragraph, including parts of this paragraph determined by the department or any other state agency or a court to be a reimbursable state mandate. For any revision of a housing element required pursuant to Section 65588 that occurs subsequent to the adoption of those regulations, any actions undertaken by the locality beyond those specified in the regulations are at that locality's option and are not required by this section.

(7) At the option of local government, an analysis of opportunities for energy conservation with respect to residential development.

(8) An analysis of existing assisted housing developments that are eligible to change from low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of restrictions on use. "Assisted housing developments," for the purpose of this section, shall mean multifamily rental housing that receives governmental assistance under federal programs listed in subdivision (a) of Section 65863.10, state and local multifamily revenue bond programs, local redevelopment programs, the federal Community Development Block Grant Program, or local in-lieu fees. "Assisted housing developments" shall also include multifamily rental units that were developed pursuant to a local inclusionary housing program or used to qualify for a density bonus pursuant to Section 65916.

(A) The analysis shall include a listing of each development by project name and address, the type of governmental assistance received, the earliest possible date of change from low-income use and the total number of elderly and nonelderly units that could be lost from the locality's low-income housing stock in each year during the 10-year period. For purposes of state and federally funded projects, the analysis required by this subparagraph need only contain information available on a statewide basis.

(B) The analysis shall estimate the total cost of producing new rental housing that is comparable in size and rent levels, to

1 replace the units that could change from low-income use, and an
2 estimated cost of preserving the assisted housing developments.
3 This cost analysis for replacement housing may be done
4 aggregately for each five-year period and does not have to
5 contain a project-by-project cost estimate.

6 (C) The analysis shall identify public and private nonprofit
7 corporations known to the local government which have legal
8 and managerial capacity to acquire and manage these housing
9 developments.

10 (D) The analysis shall identify and consider the use of all
11 federal, state, and local financing and subsidy programs which
12 can be used to preserve, for lower income households, the
13 assisted housing developments, identified in this paragraph,
14 including, but not limited to, federal Community Development
15 Block Grant Program funds, tax increment funds received by a
16 redevelopment agency of the community, and administrative fees
17 received by a housing authority operating within the community.
18 In considering the use of these financing and subsidy programs,
19 the analysis shall identify the amounts of funds under each
20 available program which have not been legally obligated for
21 other purposes and which could be available for use in preserving
22 assisted housing developments.

23 (b) (1) A statement of the community's goals, quantified
24 objectives, and policies relative to the maintenance, preservation,
25 improvement, and development of housing.

26 (2) It is recognized that the total housing needs identified
27 pursuant to subdivision (a) may exceed available resources and
28 the community's ability to satisfy this need within the content of
29 the general plan requirements outlined in Article 5 (commencing
30 with Section 65300). Under these circumstances, the quantified
31 objectives need not be identical to the total housing needs. The
32 quantified objectives shall establish the maximum number of
33 housing units by income category that can be constructed,
34 rehabilitated, and conserved over a five-year time period.

35 (c) A program which sets forth a five-year schedule of actions
36 the local government is undertaking or intends to undertake to
37 implement the policies and achieve the goals and objectives of
38 the housing element through the administration of land use and
39 development controls, provision of regulatory concessions and
40 incentives, and the utilization of appropriate federal and state

1 financing and subsidy programs when available and the
2 utilization of moneys in a low- and moderate-income housing
3 fund of an agency if the locality has established a redevelopment
4 project area pursuant to the Community Redevelopment Law
5 (Division 24 (commencing with Section 33000) of the Health and
6 Safety Code). In order to make adequate provision for the
7 housing needs of all economic segments of the community, the
8 program shall do all of the following:

9 (1) (A) Identify adequate sites which will be made available
10 through appropriate zoning and development standards and with
11 services and facilities, including sewage collection and treatment,
12 domestic water supply, and septic tanks and wells, needed to
13 facilitate and encourage the development of a variety of types of
14 housing for all income levels, including multifamily rental
15 housing, factory-built housing, mobilehomes, housing for
16 agricultural employees, emergency shelters, and transitional
17 housing in order to meet the community's housing goals as
18 identified in subdivision (b).

19 (i) Where the inventory of sites, pursuant to paragraph (3) of
20 subdivision (a), does not identify adequate sites to accommodate
21 the need for groups of all household income levels pursuant to
22 Section 65584, the program shall provide for sufficient sites with
23 zoning that permits owner-occupied and rental multifamily
24 residential use by right, including density and development
25 standards that could accommodate and facilitate the feasibility of
26 housing for very low and low-income households.

27 (ii) Where the inventory of sites pursuant to paragraph (3) of
28 subdivision (a) does not identify adequate sites to accommodate
29 the need for farmworker housing, the program shall provide for
30 sufficient sites to meet the need with zoning that permits
31 farmworker housing use by right, including density and
32 development standards that could accommodate and facilitate the
33 feasibility of the development of farmworker housing for low-
34 and very low income households.

35 (B) For purposes of this paragraph, the phrase "use by right"
36 shall mean the use does not require a conditional use permit,
37 except when the proposed project is a mixed-use project
38 involving both commercial or industrial uses and residential uses.
39 Use by right for all rental multifamily residential housing shall be
40 provided in accordance with subdivision (f) of Section 65589.5.

1 (C) The requirements of this subdivision regarding
2 identification of sites for farmworker housing shall apply
3 commencing with the next revision of housing elements required
4 by Section 65588 following the enactment of this subparagraph.

5 (2) Assist in the development of adequate housing to meet the
6 needs of low- and moderate-income households.

7 (3) Address and, where appropriate and legally possible,
8 remove governmental constraints to the maintenance,
9 improvement, and development of housing, including housing for
10 all income levels and housing for persons with disabilities. The
11 program shall remove constraints to, or provide reasonable
12 accommodations for housing designed for, intended for
13 occupancy by, or with supportive services for, persons with
14 disabilities.

15 (4) Conserve and improve the condition of the existing
16 affordable housing stock, which may include addressing ways to
17 mitigate the loss of dwelling units demolished by public or
18 private action.

19 (5) Promote housing opportunities for all persons regardless of
20 race, religion, sex, marital status, ancestry, national origin, color,
21 familial status, or disability.

22 (6) (A) Preserve for lower income households the assisted
23 housing developments identified pursuant to paragraph (8) of
24 subdivision (a). The program for preservation of the assisted
25 housing developments shall utilize, to the extent necessary, all
26 available federal, state, and local financing and subsidy programs
27 identified in paragraph (8) of subdivision (a), except where a
28 community has other urgent needs for which alternative funding
29 sources are not available. The program may include strategies
30 that involve local regulation and technical assistance.

31 (B) The program shall include an identification of the agencies
32 and officials responsible for the implementation of the various
33 actions and the means by which consistency will be achieved
34 with other general plan elements and community goals. The local
35 government shall make a diligent effort to achieve public
36 participation of all economic segments of the community in the
37 development of the housing element, and the program shall
38 describe this effort.

39 SEC. 3. Section 65584.1 of the Government Code is amended
40 to read:

65584.1. Councils of government may charge a fee to local governments to cover the projected reasonable, actual costs of the council in distributing regional housing needs pursuant to this article. Any fee shall not exceed the estimated amount required to implement its obligations pursuant to Sections 65584, 65584.01, 65584.02, 65584.03, 65584.04, 65584.05, and 65584.07. A city, county, or city and county may charge a fee, not to exceed the amount charged in the aggregate to the city, county, or city and county by the council of governments, to reimburse it for the cost of the fee charged by the council of government to cover the council's actual costs in distributing regional housing needs. The legislative body of the city, county, or city and county shall impose the fee pursuant to Section 66016, except that if the fee creates revenue in excess of actual costs, those revenues shall be refunded to the payers of the fee.

SEC. 4. Section 66016 of the Government Code is amended to read:

66016. (a) Prior to levying a new fee or service charge, or prior to approving an increase in an existing fee or service charge, a local agency shall hold at least one open and public meeting, at which oral or written presentations can be made, as part of a regularly scheduled meeting. Notice of the time and place of the meeting, including a general explanation of the matter to be considered, and a statement that the data required by this section is available, shall be mailed at least 14 days prior to the meeting to any interested party who files a written request with the local agency for mailed notice of the meeting on new or increased fees or service charges. Any written request for mailed notices shall be valid for one year from the date on which it is filed unless a renewal request is filed. Renewal requests for mailed notices shall be filed on or before April 1 of each year. The legislative body may establish a reasonable annual charge for sending notices based on the estimated cost of providing the service. At least 10 days prior to the meeting, the local agency shall make available to the public data indicating the amount of cost, or estimated cost, required to provide the service for which the fee or service charge is levied and the revenue sources anticipated to provide the service, including General Fund revenues. Unless there has been voter approval, as prescribed by Section 66013 or 66014, no local agency shall levy a new fee or

1 service charge or increase an existing fee or service charge to an
2 amount which exceeds the estimated amount required to provide
3 the service for which the fee or service charge is levied. If,
4 however, the fees or service charges create revenues in excess of
5 actual cost, those revenues shall be used to reduce the fee or
6 service charge creating the excess.

7 (b) Any action by a local agency to levy a new fee or service
8 charge or to approve an increase in an existing fee or service
9 charge shall be taken only by ordinance or resolution. The
10 legislative body of a local agency shall not delegate the authority
11 to adopt a new fee or service charge, or to increase a fee or
12 service charge.

13 (c) Any costs incurred by a local agency in conducting the
14 meeting or meetings required pursuant to subdivision (a) may be
15 recovered from fees charged for the services which were the
16 subject of the meeting.

17 (d) This section shall apply only to fees and charges as
18 described in Sections 51287, 56383, 57004, 65104, 65456,
19 65584.1, 65863.7, 65909.5, 66013, 66014, and 66451.2 of this
20 code, Sections 17951, 19132.3, and 19852 of the Health and
21 Safety Code, Section 41901 of the Public Resources Code, and
22 Section 21671.5 of the Public Utilities Code.

23 (e) Any judicial action or proceeding to attack, review, set
24 aside, void, or annul the ordinance, resolution, or motion levying
25 a fee or service charge subject to this section shall be brought
26 pursuant to Section 66022.

27 SEC. 5. Section 65586 of the Government Code is repealed.

28 SEC. 6. Section 65588.1 of the Government Code is repealed.

29 SEC. 7. Section 18070.3 of the Health and Safety Code is
30 amended to read:

31 18070.3. (a) When any person (1) who has purchased a
32 manufactured home for a personal or family residential or
33 investment purpose or (2) who has sold a manufactured home for
34 a personal or family residential or investment purpose, obtains a
35 final judgment against any manufactured home manufacturer,
36 manufactured home dealer or salesperson, or other seller or
37 purchaser, and the judgment is based on the grounds of (1)
38 failure to honor warranties or guarantees, (2) fraud or willful
39 misrepresentation related to any financial provision, (3) fraud or
40 willful misrepresentation of the kind or quality of the product

1 sold or purchased, (4) conversion, (5) any willful violation of any
2 other provision of this part, including the provisions regulating
3 escrow accounts, or regulations adopted pursuant to this part, or
4 (6) violation of Chapter 3 (commencing with Section 1797) of
5 Title 1.7 of Part 4 of Division 3 of the Civil Code, resulting in an
6 actual and direct loss directly arising out of any transaction that
7 occurs on or after January 1, 1985, the person, upon termination
8 of all proceedings, including appeals, may file a claim with the
9 department for an order directing payment out of the fund for the
10 amount of actual and direct loss in the transaction.

11 (b) If any person either purchases a manufactured home used
12 for a personal or family residential or investment purpose from,
13 or sells a manufactured home used for a personal or family
14 residential or investment purpose to, a person or entity who is or
15 has been the subject of a bankruptcy proceeding, the person may
16 file a claim with the department for an order directing payment
17 out of the fund for the actual and direct loss in the transaction
18 based on (1) the failure to honor warranties or guarantees, (2)
19 fraud or willful misrepresentation related to any financial
20 provision, (3) fraud or willful misrepresentation of the kind or
21 quality of product purchased or sold, (4) conversion, (5) willful
22 violation of any other provision in this part, including the
23 provisions regulating escrow accounts, or (6) violation of
24 Chapter 3 (commencing with Section 1797) of Title 1.7 of Part 4
25 of Division 3 of the Civil Code, resulting in an actual and direct
26 loss directly arising out of any transaction that occurs on or after
27 January 1, 1985.

28 (c) (1) The total amount of the claim shall not exceed the
29 amount of actual and direct loss that remains unreimbursed from
30 any source.

31 (2) The maximum payment ordered under this section, with
32 respect to any one sales transaction on a new or used
33 manufactured home, shall be the amount of the actual and direct
34 loss, as determined by the department based on information in
35 the possession of the department and information provided by the
36 claimant or claimants. In no event shall the actual payment
37 relating to a single transaction exceed seventy-five thousand
38 dollars (\$75,000).

39 (3) Notwithstanding any other provision of this chapter, a
40 person who purchases or sells a manufactured home for an

1 investment purpose may receive payment from the fund for that
2 purpose only once. A person who has received payment from the
3 fund for the purchase or sale of a manufactured home for an
4 investment purpose shall henceforth be ineligible to make a claim
5 under this chapter, either as a natural person or as a member of a
6 partnership, as an officer or director of a corporation, as a
7 member of a marital community, or in any other capacity.

8 (d) Prior to payment of any claim against the fund, the
9 claimant or claimants shall have first:

10 (1) If the claim is based on a final judgment, diligently
11 pursued collection efforts against all the assets of the judgment
12 debtor, or presented evidence satisfactory to the department that
13 the debtor is judgment proof, or demonstrated evidence
14 satisfactory to the department that the costs of collection are
15 likely to be in excess of the amounts that could be collected. This
16 evidence may include, but is not limited to, a description of the
17 searches and inquiries conducted by or on behalf of the claimant
18 with respect to the judgment debtor's assets liable to be sold or
19 applied to the satisfaction of the judgment, an itemized valuation
20 of the assets discovered, and the results of actions by the
21 claimant to have assets applied to satisfy the judgment.

22 (2) If the claim is not based on a final judgment, presented
23 evidence satisfactory to the department of either of the following:

24 (A) That the licensee is or has been the subject of bankruptcy
25 proceedings and, for purposes of any civil litigation or claims in
26 bankruptcy proceedings, has assigned to the department any
27 interest in the actual and direct loss described in subdivision (c)
28 in the amount that the claimant or claimants recover from the
29 fund.

30 (B) That the claimant's claim is consistent with this chapter
31 and the claimant had presented evidence satisfactory to the
32 department that the debtor is judgment proof, or demonstrated
33 evidence satisfactory to the department that the costs of
34 collection are likely to be in excess of the amounts that could be
35 collected. This evidence may include, but not be limited to, a
36 description of searches and inquiries conducted by or on behalf
37 of the claimant with respect to the judgment debtor's assets
38 eligible to be sold or applied to the satisfaction of the judgment,
39 an itemized valuation of the assets discovered, and the results of

1 actions by the claimant to have the assets applied to satisfaction
2 of the judgment.

3 (3) If the claim is based upon a violation of a provision within
4 a warranty provided pursuant to Chapter 3 (commencing with
5 Section 1797) of Title 1.7 of Part 4 of Division 3 of the Civil
6 Code, demonstrated evidence satisfactory to the department that
7 the claimant has been denied full compensation or correction
8 under the warranty after the claimant has attempted to exercise
9 his or her rights pursuant to the warranty.

10 (e) A claim against the fund shall be filed with the department
11 within the following time periods:

12 (1) If the claim is based on a final judgment, within two years
13 from the date of the judgment.

14 (2) If the claim is not based on a final judgment, within two
15 years from the termination of bankruptcy proceedings or two
16 years from the date of sale as determined by subdivision (a) of
17 Section 18070.2, or within two years of discovery of the
18 violations causing actual and direct losses pursuant to this article
19 but no longer than five years after the date of sale as determined
20 by subdivision (a) of Section 18070.2, whichever event occurs
21 later.

22 (f) When any person files a claim for an order directing
23 payment from the fund, the claimant shall mail, by first-class
24 mail, a copy of that claim to the last known address of the
25 judgment debtor. The department shall conduct a review of the
26 application and other pertinent information in its possession, and
27 it may issue an order directing payment out of the fund as
28 provided in subdivisions (a) to (e), inclusive, subject to the
29 limitations of subdivisions (a) to (e), inclusive, if the claimant or
30 claimants show all of the following:

31 (1) That he or she is not a spouse of the judgment debtor, the
32 bankrupt licensee, or a person representing the spouse.

33 (2) That he or she is making an application within the time
34 specified in subdivision (e).

35 (3) That the claimant has satisfied the applicable requirements
36 of subdivision (d).

37 (4) That, if the claimant is a seller of a manufactured home
38 used by the seller for personal, family, or household purposes,
39 the claimant made a good faith effort to adequately secure the
40 debt resulting from the sale of the manufactured home and with

respect to which the claim is made. For purposes of this paragraph, a good faith effort to secure the debt may be demonstrated by, but shall not be limited to, providing the department with a promissory note signed by the debtor and which, pursuant to the terms thereof, is secured by collateral with a reasonable value at least equal to the debt evidenced by the promissory note.

(g) Upon an order of the department directing that payment be made out of the fund, the Controller is authorized to draw a warrant for the payment of the amount of the claim approved by the department pursuant to this section.

(h) In dispersing moneys from the fund, the department is authorized to give priority to claimants who have attempted to purchase or sell a manufactured home for a personal or family residential purpose.

(i) All claims to the fund that are received on or after January 1, 1993, shall be processed, and a determination made, within one year of submission of a properly completed application.

(j) The department, upon request by a Member of the Legislature, shall provide the following information: the number of claims to the fund, number of claims processed and decided within one year of their application date and submission of a properly completed application, the amount of fund money paid to claimants, and the amount of fund money allocated for the department's costs.

SEC. 8. Section 18070.6 of the Health and Safety Code is amended to read:

18070.6. (a) To the extent that department personnel and resources are available, in any administrative action brought by the department pursuant to Article 3 (commencing with Section 18058) of Chapter 7, the department shall make reasonable efforts to plead and prove facts and allegations and request findings and conclusions necessary to support an order of restitution that may be deemed a final judgment.

(b) A person for whose benefit an order of restitution or other financial award has been granted by the director pursuant to this section may waive his or her rights to any additional compensation from the fund arising out of a transaction and submit a claim based on that administrative order to the fund

1 after demonstrating efforts to collect pursuant to subdivision (d)
2 of Section 18070.3.

3 (c) An order for restitution by the director pursuant to this
4 section shall not exceed the amount of restitution ordered or
5 approved by an administrative law judge in an administrative
6 action brought by the department.

7 SEC. 9. Section 18400.3 of the Health and Safety Code is
8 amended to read:

9 18400.3. (a) The department shall convene a task force of
10 representatives of mobilehome owners, mobilehome park
11 operators, local enforcement agencies that conduct mobilehome
12 park inspections, and the Legislature, at least once a year, to
13 provide input to the department on the conduct and operation of
14 the mobilehome park maintenance inspection program.

15 (b) The Senate Committee on Rules and the Assembly
16 Committee on Rules shall each designate a member of its
17 respective house to be a member of the task force. Each
18 legislative member of the task force may designate an alternate to
19 represent him or her at task force meetings.

20 (c) With the input of the task force, the department ~~shall, by~~
21 ~~January 1 of each year,~~ may reorganize violations under this part
22 and the regulations adopted pursuant to this part into the
23 following two categories:

24 (1) Those constituting imminent hazards representing an
25 immediate risk to life, health, and safety and requiring immediate
26 correction.

27 (2) Those constituting unreasonable risk to life, health, or
28 safety and requiring correction within 60 days.

29 (d) Any matter that would have constituted a violation prior to
30 January 1, 2000, that is not categorized in accordance with
31 subdivision (c) on or after January 1, 2000, shall be of a minor or
32 technical nature and shall not be subject to citation or notation on
33 the record of an inspection conducted on or after January 1, 2000.

34 SEC. 10. Section 18867 of the Health and Safety Code is
35 amended to read:

36 18867. (a) (1) If, upon inspection, the enforcement agency
37 determines that a special occupancy park is in violation of any
38 provision of this part, or any rule or regulation adopted pursuant
39 thereto, the enforcement agency shall promptly, but not later than
40 10 days, excluding Saturday, Sunday, and holidays, after the

1 enforcement agency completes the inspection and determines that
2 the alleged violation exists, issue a notice to correct the violation
3 to the owner or operator of the special occupancy park and to the
4 responsible person, as defined in Section 18871.8.

5 (2) If a violation constitutes an imminent threat to health and
6 safety, the notice of violation shall be issued immediately and
7 served on the owner or operator of the special occupancy park
8 and to the responsible person, as defined in Section 18871.8.

9 (3) The owner or operator of the park shall be responsible for
10 the correction of any violations for which a notice of violation
11 has been given pursuant to this subdivision.

12 (b) (1) If, upon inspection, the enforcement agency
13 determines that a recreational vehicle, an accessory building or
14 structure, or lot is in violation of any provision of Chapter 7
15 (commencing with Section 18870), Chapter 8 (commencing with
16 Section 18871), Chapter 9 (commencing with Section 18872), or
17 any regulation adopted pursuant thereto, the enforcement agency
18 shall promptly, but not later than 10 days, excluding Saturday,
19 Sunday, and holidays, after the enforcement agency completes
20 the inspection and determines that the alleged violation exists,
21 issue a notice to correct the violation to the registered owner of
22 the recreational vehicle, with a copy to the occupant thereof, if
23 different from the registered owner.

24 (2) If a violation is discovered that constitutes an imminent
25 hazard representing an immediate risk to life, health, and safety
26 and requiring immediate correction, the notice of violation shall
27 be issued immediately and served upon the occupant, with a copy
28 mailed to the registered owner of the recreational vehicle, if
29 different from the occupant, to the owner or operator of the
30 special occupancy park, and to the responsible person, as defined
31 in Section 18871.8.

32 (3) The registered owner or the occupant of the recreational
33 vehicle shall be responsible for the correction of any violations
34 for which a notice of violation has been given pursuant to this
35 subdivision.

36 (4) The enforcement agency may issue a notice of violation in
37 accordance with this chapter to the owner and occupant of a
38 recreational vehicle, mobilehome, manufactured home, park
39 trailer, or of factory-built housing which occupies a lot within a
40 special occupancy park.

1 (c) (1) Service of the notice of violation shall be effected
2 either personally or by first-class mail. Each notice of violation
3 shall be in writing and shall describe with particularity the nature
4 of the violation in as clear language as the technicality of the
5 violation will allow the average layperson to understand what is
6 being cited, including a reference to the statutory provisions or
7 regulation alleged to have been violated, as well as any penalty
8 provided by law for failure to make timely correction.

9 (2) For violations other than imminent threats to health and
10 safety as provided in paragraph (2) of subdivision (a) and
11 paragraph (2) of subdivision (b), the notice of violation shall
12 allow 30 days from the postmarked date of the notice or date of
13 personal delivery for the elimination of the condition constituting
14 the alleged violation.

15 (3) If, after the reinspection of a violation described in
16 paragraph (2) of this subdivision, the enforcement agency
17 determines that there is a valid reason why a violation has not
18 been corrected, including, but not limited to, weather conditions,
19 illness, availability of repair persons, or availability of financial
20 resources, the enforcement agency may extend the time for
21 correction, at its discretion, for a reasonable period of time after
22 the 30-day period.

23 (4) Upon a reinspection after the 30-day period of a violation
24 described in paragraph (2) of this subdivision, if a second notice
25 to correct a violation that is the responsibility of the registered
26 owner of the manufactured home or mobilehome or owner of the
27 recreational vehicle pursuant to paragraph (1) of subdivision (b)
28 is issued to the registered owner of a manufactured home or
29 mobilehome or recreational vehicle, with a copy to the occupant
30 thereof, if different from the registered owner, a copy of the
31 notice shall also be provided to the owner or operator of the
32 special occupancy park, and to the responsible person as defined
33 in Section 18871.3.

34 (5) If a second notice to correct a park violation pursuant to
35 paragraph (1) of subdivision (a) is issued to the owner or operator
36 of the park and to the responsible person, as defined in Section
37 18871.3, the enforcement agency shall post a copy of the
38 violation in a conspicuous place in the park common area, and
39 the posted notice shall only be removed by the enforcement
40 agency when the violation is corrected.

(6) All violations described in paragraph (2) of subdivision (a) and paragraph (2) of subdivision (b) shall be corrected within a reasonable time as determined by the enforcement agency. Notices of those violations shall state the time determined by the enforcement agency within which corrections must be made.

(d) Notwithstanding any other provision of law, the enforcement agency may, at its sole discretion, determine not to issue a notice of violation pursuant to this chapter if the condition which violates this part or the regulations adopted pursuant thereto does not constitute an imminent hazard representing an immediate risk to life, health, and safety and requiring immediate correction. If the enforcement agency determines, pursuant to this subdivision, not to issue a notice of violation, the enforcement agency shall include in its inspection report a description of the condition that violates this part and its determination not to issue a notice of violation.

SEC. 11. Section 33334.20 of the Health and Safety Code is repealed.

SEC. 12. Section 3692.4 of the Revenue and Taxation Code is amended to read:

3692.4. (a) Notwithstanding any other provision of law, any county, city, city and county, or any nonprofit organization as defined in Section 3772.5, may request the tax collector to bring to the next scheduled public auction any residential real property that meets all of the following requirements:

(1) The property taxes have been delinquent for at least three years.

(2) The real property will serve the public benefit of providing housing directly related to low-income persons.

(3) The real property is not occupied by the owner as his or her principal place of residence.

(b) Every request submitted to the tax collector shall include the following:

(1) A formal resolution of the governing board of the county, city, city and county, or nonprofit organization, requesting the accelerated auction of the real property and stating the public benefit.

(2) A written plan for the development, rehabilitation, or proposed use of the real property and how low-income persons will be served.

1 (3) If the request is from a nonprofit organization, the request
2 shall have a formal resolution of approval from the city council
3 of the city in which the real property is located, or from the board
4 of supervisors of the county if the real property is located in an
5 unincorporated area.

6 (c) Upon receiving a request as provided by this section, the
7 tax collector shall include the real property in the next scheduled
8 public auction.

9 (d) (1) If the real property is acquired by a nonprofit
10 organization at auction, a deed restriction shall be placed on the
11 real property, requiring the real property to be used for
12 low-income housing for a period of *at least* 30 years.

13 (2) (A) *In lieu of the 30-year restriction required by*
14 *paragraph (1), the deed may provide for equity sharing upon*
15 *resale, if the real property is a single-family home that will be*
16 *sold by the nonprofit organization to a low-income*
17 *owner-occupant.*

18 (B) *To the extent not in conflict with another public funding*
19 *source or law, all of the following shall apply to an*
20 *equity-sharing agreement provided for by the deed:*

21 (i) *Upon resale by an owner-occupant of the home, the*
22 *owner-occupant of the home shall retain the market value of any*
23 *improvements, the downpayment, and his or her proportionate*
24 *share of appreciation. The nonprofit organization shall recapture*
25 *any initial subsidy and its proportionate share of appreciation,*
26 *which shall then be used for the purpose of providing financial*
27 *assistance to low-income homebuyers.*

28 (ii) *For purposes of this subdivision, the initial subsidy shall*
29 *be equal to the fair market value of the home at the time of initial*
30 *sale to the nonprofit organization minus the initial sale price to*
31 *the low-income owner-occupant, plus the amount of any*
32 *downpayment assistance or mortgage assistance. If upon resale*
33 *by the owner-occupant the market value is lower than the initial*
34 *market value, then the value at the time of the resale shall be*
35 *used as the initial market value.*

36 (iii) *For purposes of this subdivision, the nonprofit*
37 *organization's proportionate share of appreciation shall be*
38 *equal to the ratio of the initial subsidy to the fair market value of*
39 *the home at the time of initial sale.*

1 (e) This section may not be construed to preclude the
2 application, to the real property or the current owners of that
3 property, of any other provision of law not in conflict with this
4 section.

5 ~~SEC. 12.~~—

6 *SEC. 13.* The repeal of Section 33334.20 of the Health and
7 Safety Code by this act does not release any agency that reduced
8 the set-aside to its Low and Moderate Income Housing Fund
9 pursuant to the provisions of that section from the requirement to
10 eliminate the deficit in accordance with that section as it existed
11 on December 31, 2005.

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